

Message Text

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UNCLAS SECTION 01 OF 03 OECD PARIS 15171

EUR FOR HARTMAN AND ALBRECHT

E.O. 11652: N/A

TAGS: OECD, SOPN

SUBJECT: TALKING POINTS FOR SPEECH AT MARSHALL PLAN
COMMEMORATION DINNER

REF: HARTMAN-KATZ TELCON

1. ONE IS TEMPTED TO SEEK PARALLELS OR AT LEAST
COMPARE DIFFERENCES AND SIMILARITIES THEN AND NOW.

2. THEN - SOCIETIES HAD BEEN SHAKEN TO VERY FOUNDA-
TIONS:

- NOT ONLY RESOURCE GAP AND DOLLAR GAP;
- FUNDAMENTAL LACK OF CONFIDENCE AND FEAR OF
REVOLUTIONARY SOCIAL CHANGE.

3. BASIC ACCOMPLISHMENT OF MARSHALL PLAN AND EFFORT
AT EUROPEAN ECONOMIC COOPERATION WAS TO RESTORE
CONFIDENCE. INSTITUTION BUILDING WAS TANGIBLE EXPRES-
SION OF POLITICAL SOLIDARITY ON ECONOMIC ISSUES. THERE
WERE OF COURSE OTHERS TO FOLLOW OF POLITICAL NATURE.

4. OEEC, ECSC, EURATOM AND EC IN INDUSTRIALIZED
EUROPE. NATO AND OECD IN FIRST AN ATLANTIC AND LATER
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A WIDER CONTEXT.

5. AS MAURICE SCHUMANN HAS SAID, THE IDEA OF EUROPEAN
CONSTRUCTION SPRANG FROM RECONSTRUCTION COOPERATION.
SOLIDARITY, INSTITUTION BUILDING IN EUROPE LED TO
CONFIDENCE - INTERDEPENDENCE.

6. THESE WERE THE WORDS TO SUMMARIZE THE ACCOMPLISHMENTS.

7. NOW 30 YEARS LATER AND WITH A VASTLY CHANGED WORLD WE AGAIN FIND OURSELVES IN A SITUATION IN WHICH

- ECONOMIC PERFORMANCE, FLAGS, PERSISTENT HIGH UNEMPLOYMENT AND CONTINUING HIGH INFLATION, LARGE EXTERNAL DEFICITS UNEVENLY DISTRIBUTED;
- POLITICAL ENVIRONMENT IS CHARACTERIZED BY A NEW CHALLENGE FROM WITHIN IN MANY OF OUR COUNTRIES;
- ABOVE ALL THERE IS A VITAL CONNECTION BETWEEN THE TWO. THE POOR ECONOMIC PERFORMANCE CONTRIBUTES IMPORTANTLY TO POLITICAL UNCERTAINTIES WHICH IN TURN CONTRIBUTE TO LACK OF INVESTOR CONFIDENCE AND TO POOR ECONOMIC PERFORMANCE;
- PERHAPS MOST DISTURBING - GROWING DOUBT THAT GOVERNMENTS CAPABLE OF MASTERING THEIR PROBLEMS.

8. INDEED WITH VERY LITTLE EXAGGERATION ONE CAN SAY WHAT WE FACE TODAY IS THE WORST CRISIS OF CONFIDENCE SINCE THE MARSHALL PLAN.

9. DESPITE ALL THE BILLIONS OF GNP GROWTH.

10. DESPITE THE TREMENDOUS GROWTH IN PER CAPITA INCOME.

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11. DESPITE ALL THE INDICES OF INCREASE IN MATERIAL WELL-BEING.

12. DESPITE THE BILLIONS IN AID AND CREDITS AMONG OUR COUNTRIES AND FROM OUR COUNTRIES TO THE DEVELOPING WORLD.

13. DESPITE THE LIBERAL INTERNATIONAL TRADING AND MONEY SYSTEMS AND THE GROWTH OF INTERNATIONAL INSTITUTIONS.

14. DESPITE THE FACT THAT THE OTHER SIDE HAS LONG SINCE CEASED TO ACT AS A POLE OF ATTRACTION.

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15. IT IS NOT ENOUGH TO EXPLAIN THIS IN TERMS OF THE
OIL SHOCK OR THE COMMODITY PRICE INCREASE OR THE
INADEQUATE ECONOMIC POLICIES OF RECENT YEARS OR THE
COMPLEXITIES OF ECONOMIC POLICY CHOICES FACING OUR
COUNTRIES THIS YEAR.

16. NOR IS IT ENOUGH TO EXPLAIN THIS IN TERMS OF
INCREASING INTERDEPENDENCE WHICH HAS LEFT COUNTRIES FAR
MORE SUSCEPTIBLE TO INFLUENCES FROM OTHER COUNTRIES
WITH FEWER POLICY TOOLS TO COPE AND BUFFER THE UNFAVOR-
ABLE WINDS.

17. ALL OF THIS -- TRUE BUT INSUFFICIENT.

18. THE CRISIS OF CONFIDENCE IS BIGGER AND MORE
UNPRECEDENTED THAN ALL OF THE ABOVE, IT IS NO MORE NOR
LESS THAN A FUNDAMENTAL QUESTIONING OF WHETHER OUR
GOVERNMENTS, INDEED OUR SYSTEMS, CAN DEAL WITH THE
PROBLEMS OF OUR AGE.

19. IT IS IN THIS SENSE THAT THE LESSONS OF THE
MARSHALL PLAN ARE MORE TIMELY THAN EVER. COOPERATION,
SOLIDARITY, INSTITUTION BUILDING ARE THE KEY TO RESTOR-
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ING CONFIDENCE.

20. OUR LEADERS HAVE CLEARLY SENSED NEED ACT IN THIS FASHION. WITNESS THREE SUMMITS IN THE SPACE OF 18 MONTHS.

21. THEY HAVE REPEATEDLY ASSERTED THAT THE PROBLEMS OF THE DAY ARE TO BE FACED BY ENHANCED COOPERATION RATHER THAN BY COUNTRIES ACTING ON THEIR OWN.

22. THAT SOLIDARITY IS THE KEY TO SUCCESS.

23. THAT THE OPTION OF BEGGARING ONE'S NEIGHBOR NO LONGER EXISTED.

24. THEY NOT ONLY EXPLICITLY RECOGNIZED THE INEVITABLE INTERDEPENDENCE OF NATIONS, THEY IMPLICITLY RECOGNIZED, BY THE FACT THEY WERE CALLED UPON TO DEAL WITH THESE ISSUES, THAT THERE IS AN INTERDEPENDENCE OF SUBJECTS. THAT MACROECONOMIC POLICIES, EXTERNAL FINANCING AND TRADE ARE ALL INTERRELATED AND INTERDEPENDENT AND THIS HOLDS TRUE OF ENERGY AND OTHER COMMODITY ISSUES. THAT THE INTERDEPENDENCE OF OUR COUNTRIES EMBRACES THE WELFARE OF THE DEVELOPING COUNTRIES, AND ABOVE ALL THAT THE ECONOMICS OF THE CONDITION OF OUR SOCIETIES IS INTIMATELY RELATED TO THE POLITICS.

25. IN THE MOST RECENT SUMMIT THEY LAID IMPORTANT, INDEED PRIMARY, STRESS ON CREATING JOBS AND SOUGHT TO CONVEY TO THE PEOPLE AND THE OUTSIDE WORLD THAT THEY HAD A BROADLY AGREED STRATEGY TO COPE WITH ALL THE INTERRELATED PROBLEMS IN A FASHION CALCULATED TO RESTORE CONFIDENCE.

26. BUT AN IMPORTANT ELEMENT IN THE COMPLEX OF ELEMENTS WHICH SPELLED SUCCESS IN THE MARSHALL PLAN ERA REQUIRES UNCLASSIFIED

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MUCH FURTHER ELABORATION OF THE NOTION OF INSTITUTION BUILDING.

27. TO RESTORE CONFIDENCE THE PUBLIC MUST PERCEIVE THAT GOVERNMENTS ARE IN COMMAND OF EVENTS, THAT GOVERNMENTS ARE IN FACT COOPERATING IN ACCORDANCE WITH A BROADLY CONCEIVED STRATEGY, THAT THEY ARE WORKING TOGETHER TO PROCEED ALONG A GIVEN PATH AND NOT FIGHTING EACH OTHER FOR NARROW ADVANTAGE.

28. SUMMIT MEETINGS ARE IMPORTANT TO THIS PROCESS BUT IF THEY ARE TO BE TRULY PRODUCTIVE THEY MUST BE FOLLOWED UP. THE VERY NECESSARY CONFIDENTIAL NATURE OF SUMMITS, THE NECESSARY SHORTNESS OF THEIR DURATION AND THEIR

INFREQUENCY LEAVES THE MAJOR JOB TO BE DONE BY
EXISTING INSTITUTIONS. THE SUMMITS, ESPECIALLY THE
MOST RECENT ONE, RECOGNIZED THIS FACT.

29. OUR INSTITUTIONS MUST NOT ONLY BE MADE TO WORK
BETTER, THEY MUST BE PERCEIVED BY OUR PUBLICS AS BEING
ON TOP OF THE SITUATION AND WORKING IN HARMONY.

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30. THERE ARE POLICIES WHICH GOVERNMENTS CAN FOLLOW
TOGETHER TO KEEP THE SYSTEM WORKING. THE SUMMIT HAS
LAID OUT THE AGENDA FOR THESE POLICIES:

- ECONOMIC POLICY COORDINATION SHOULD BE MADE
MORE EFFECTIVE AS WELL AS MORE MEANINGFUL TO
THE PUBLIC.
- THE AVAILABILITY OF OFFICIAL FINANCING MUST BE
EXPANDED.
- THE OPEN AND LIBERAL TRADING SYSTEM SHOULD BE
STRENGTHENED THROUGH SUCCESSFUL MTN.
- THE SUPPLY/DEMAND BALANCE FOR ENERGY MUST BE
IMPROVED AND DEPENDENCY ON IMPORTED OIL REDUCED.
- FINALLY, A CONSTRUCTIVE NORTH-SOUTH DIALOGUE
MUST LEAD TO AN IMPROVED POSITION FOR THE
DEVELOPING NATIONS TO SHARE IN THE GROWTH OF
THE MARKET ECONOMY OF THE WORLD.

31. OUR INSTITUTIONS MUST BE SEEN AS WORKING IN

ACCORDANCE WITH MONNET'S APPROACH: ALL THE NATIONS
ON ONE SIDE OF THE TABLE WITH THE PROBLEM ON THE OTHER.
IT IS PARTICULARLY APPROPRIATE TO MAKE THIS POINT IN
THIS HOUSE WHICH DESERVES MUCH OF THE CREDIT FOR THE
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SPECTACULAR SUCCESS OF EUROPEAN RECOVERY, AND WHICH HAS
BEEN THE PRIMARY FORUM FOR ECONOMIC COOPERATION AMONG
ALL THE INDUSTRIALIZED COUNTRIES SINCE 1960.

32. IT WAS MORE THAN THE SPECIFIC ACHIEVEMENTS
REGISTERED HERE THAT COUNTED; IT WAS THE VISIBLE,
SHINING EXAMPLE OF COOPERATION, SOLIDARITY AND COMMON
PURPOSE THAT THIS HOUSE EXEMPLIFIED THAT CONTRIBUTED
SO IMPORTANTLY TO A RESTORATION OF CONFIDENCE.

33. SIMILARLY, TODAY WE MUST THROUGH REDOUBLING OUR
EFFORTS IN ALL INSTITUTIONS, ESPECIALLY THIS ONE, GIVE
CLEAR EVIDENCE TO OUR PEOPLE THAT THEIR GOVERNMENTS
KNOW WHERE THEY ARE GOING AND THAT THEY ARE WORKING
TOGETHER TO GET THERE.

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